

# Illinois school consolidation billed as cost-cutter, but data say otherwise

## Most merged districts spending more, Tribune analysis shows

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7:56 PM CDT, March 25, 2010

NEWARK, Ill.

As schools statewide get pinched financially, the idea of merging small districts once so poisonous it touched off battles across the state is cropping up again.

Gov. Pat Quinn jumped on the consolidation bandwagon during his budget address this month, suggesting it could help schools drowning in debt. Thirteen districts are actively researching consolidation. And one lawmaker says he intends to introduce legislation that could force small districts to merge.

"We have too many units of government," said state Sen. Terry Link (D-Waukegan). "It makes economic sense to consolidate."

Take this farming area in rural Kendall County. It has 580 students, yet three school districts, four schools and three superintendents.

A wooden bridge that stretches over a grassy gully is the only thing that stands between the Newark Community High School District and the Newark Elementary School District. Just 8.7 miles down a winding road sits Lisbon School District.

But despite the rhetoric of consolidation, it might not be the financial panacea that politicians promise.

A Tribune analysis of Illinois districts that merged in the past decade revealed that most are spending more than they did before the merger, and many are keeping pace with the state's rapidly increasing per-pupil expenditure.

Cowden-Herrick School District 3A in downstate Shelby County was created in 1998 when two smaller districts merged. Before the consolidation, the two districts spent an average of about \$5,100 per student, according to state data. Now, the combined district spends more than \$8,900 on each child, a 75 percent increase virtually identical to the state's average bump over the same time.

Several national studies have also shown that district mergers don't always save taxpayer money. David C. Thompson, a Kansas State University professor who has studied consolidations, said transportation and administrative costs often rise when smaller districts come together.

"Politicians and policymakers start salivating over the notion of saving money, but they never prepare for the hidden costs," he said. "Rarely does it save taxpayer money."

School consolidation has long been unpopular in Illinois, a state that prides itself on strong local control of schools.

Illinois has 870 school districts the third-largest number in the nation ranging from Nelson School District 8 in Lee County, which has 32 students, to Chicago Public Schools, which has 425,000. More than a third of the districts have enrollments of fewer than 1,000 students; 15 percent enroll fewer than 300 children.

Tiny as some districts are, the average used to be smaller. In 1940, according to state education officials, Illinois had 12,000 school districts. That number shrank dramatically during a round of consolidation over the following decade.

To entice mergers, state lawmakers have put aside millions for combining districts. During the past five years, the Illinois State Board of Education doled out nearly \$30 million to consolidated districts.

But the financial incentives might be driving higher local expenditures down the road in a sense helping school leaders avoid the cost-cutting that consolidation could provide.

The state offers four pots of money to reorganized districts, including a four-year guarantee that the state's per-pupil aid to the new district will not drop below what it was when the districts operated separately.

The state also gives the new district money to help cover a discrepancy in teacher salaries.

When districts merge, a new teacher contract must be negotiated. Michelle Heninger, who oversees consolidations for the state board, said that typically, districts adopt the teacher-salary schedule from the higher-paid district.

The state gives the reorganized districts enough money to cover the higher salaries for four years. Local taxpayers pick up the costs after that.

The bulk of the cash flows to new districts as a pure incentive. Consolidating districts receive an additional \$4,000 per certified staff member for up to three years.

The additional cash is rarely put into savings. According to the most recent state data, nearly half the districts that merged in the past decade spent more money than they took in during 2007-08 fiscal year, the last year for which data are available.

Alan Boucher, superintendent of newly created Mercer County School District 404, said the reorganized district saved only about \$500,000 out of a \$14 million budget when it

merged Aledo and Westmer school districts last year.

The district, which enrolls about 1,400 students, let five teachers go and did not fill four other teaching positions. But even though a local task force suggested closing one of the five area schools, the new district kept them open and retained all five principals.

Boucher said the consolidation allowed the district to offer additional enriched courses to students, including accounting and statistics.

"No question in my mind this was the best thing for both communities," he said. "But I say that mainly because of the academic enrichment and the community good will we've built up, not because it was a huge budget savings."

Students at Newark High School don't know about the consolidation research and don't know the specific details of school budgets. They simply wonder why their community can afford a superintendent and principal for one high school and separate busing contracts for three districts that are so close to each other.

"They always tell us that academics and finding a career is the most important thing," said Levi Jager, who is enrolled in the industrial arts class at Newark. "But then they get rid of someone who is teaching us a trade, instead of finding a way to save money by combining the districts. I think it sends the wrong message."

Added Megan Weaver, a Newark junior who is also in the class: "If they let us do the budget, I bet we could find money to keep the teacher and our program and still have money left over."